



LARRY D. RIPLEY  
Senior Attorney

October 18, 2001

**HAND DELIVERED**

Ms. Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
P. O. Box 83720  
Boise, Idaho 83720-0074

Re: Case No. IPC-E-01-\_\_\_\_\_  
Application For Order Approving Costs To Be Included  
in 2002/2003 PCA Year for Irrigation Load Reduction  
Program and Astaris Load Reduction Agreement

Dear Ms. Jewell:

Please find enclosed for filing an original and seven (7) copies of the Company's Application for an order approving the costs to be included in the 2002/2003 PCA year for the Irrigation Load Reduction Program and the Astaris Load Reduction Agreement. Also enclosed are nine (9) copies of the testimony and exhibits of Ms. Maggie Brilz and Mr. Darrell R. Tomlinson, with one copy designated as the Reporter's Copy. Once a court reporter has been retained, please advise me and I will forward the testimony to the court reporter via e-mail.

Copies of the Company's Application, testimony and exhibits have been mailed to potentially interested parties as per the attached Certificate of Mailing.

I would appreciate it if you would return a stamped copy of this transmittal letter for our files.

Very truly yours,

Larry D. Ripley

LDR:jb  
Enclosures

## CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 18th day of October, 2001, I mailed a true and correct copy of IDAHO POWER COMPANY'S APPLICATION and the TESTIMONY AND EXHIBITS OF MAGGIE BRILZ AND DARRELL R. TOMLINSON in Case No. IPC-E-01-\_\_\_ to the following named individuals:

John Hammond, Deputy Atty. General	_____	Hand Delivered
Idaho Public Utilities Commission	_____	U.S. Mail
472 West Washington Street	_____	Overnight Mail
P. O. Box 83720	_____	FAX
Boise, Idaho 83720-0074		

Lisa D. Nordstrom, Deputy Atty. General	_____	Hand Delivered
Idaho Public Utilities Commission	_____	U.S. Mail
472 West Washington Street	_____	Overnight Mail
P. O. Box 83720	_____	FAX
Boise, Idaho 83720-0074		

Donald L. Howell, Deputy Atty. General	_____	Hand Delivered
Idaho Public Utilities Commission	_____	U.S. Mail
472 West Washington Street	_____	Overnight Mail
P. O. Box 83720	_____	FAX
Boise, Idaho 83720-0074		

Conley Ward	_____	Hand Delivered
Givens Pursley LLP	_____	U.S. Mail
277 North 6th Street, Suite 200	_____	Overnight Mail
P.O. Box 2720	_____	FAX
Boise, Idaho 83701		

Alan W. Seder	_____	Hand Delivered
Astaris LLC	_____	U.S. Mail
622 Emerson Road, 5th Floor	_____	Overnight Mail
St. Louis, Missouri 63141	_____	FAX

Randall C. Budge	_____	Hand Delivered
Racine, Olson, Nye, Budge & Bailey	_____	U.S. Mail
P.O. Box 1391	_____	Overnight Mail
Pocatello, Idaho 83204-1391	_____	FAX

Anthony Yankel	_____	Hand Delivered
29814 Lake Road	_____	U.S. Mail
Bay Village, Ohio 44140	_____	Overnight Mail
	_____	FAX

Peter J. Richardson  
Richardson & O'Leary  
99 E. State Street, Suite 200  
P.O. Box 1849  
Eagle, Idaho 83616

\_\_\_\_ Hand Delivered  
\_\_\_\_ U.S. Mail  
\_\_\_\_ Overnight Mail  
\_\_\_\_ FAX

Stuart Trippel  
Trippel Mast Consulting LLC  
506 Second Avenue, Suite 1001  
Seattle, Washington 98104-2328

\_\_\_\_ Hand Delivered  
\_\_\_\_ U.S. Mail  
\_\_\_\_ Overnight Mail  
\_\_\_\_ FAX

Richard E. Malmgren, Esq.  
Micron Technology, Inc.  
8000 South Federal Way, MS 507  
P.O. Box 6  
Boise, Idaho 83707-0006

\_\_\_\_ Hand Delivered  
\_\_\_\_ U.S. Mail  
\_\_\_\_ Overnight Mail  
\_\_\_\_ FAX

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LARRY D. RIPLEY

LARRY D. RIPLEY ISB #965  
Idaho Power Company  
P.O. Box 70  
Boise, Idaho 83707  
Phone: (208) 388-2674  
FAX: (208) 388-6936

Attorney for Idaho Power Company

Express Mail Address

1221 West Idaho Street  
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF IDAHO POWER COMPANY FOR AN	)	CASE NO. IPC-E-01-____
ORDER APPROVING THE COSTS TO BE	)	
INCLUDED IN THE 2002/2003 PCA YEAR	)	APPLICATION
FOR THE IRRIGATION LOAD REDUCTION	)	
PROGRAM AND ASTARIS LOAD	)	
REDUCTION AGREEMENT	)	
_____	)	

Application is hereby made to the Idaho Public Utilities Commission (the "Commission") by Idaho Power Company ("Idaho Power" or "the Company") for an order approving the costs to be included in the 2002/2003 PCA year for the Irrigation Load Reduction Program and Astaris Load Reduction Agreement.

In support of this Application, Idaho Power represents as follows:

I.

Idaho Power is an Idaho Corporation, whose principal place of business is 1221 West Idaho Street, Boise, Idaho 83702.

## II.

Idaho Power operates a public utility supplying electric service in Southern Idaho and Eastern Oregon. Idaho Power is subject to the jurisdiction of this Commission in Idaho and to the jurisdiction of the Oregon Public Utility Commission in Oregon. Idaho Power is also subject to the jurisdiction of the Federal Energy Regulatory Commission (the "FERC").

## III.

On March 29, 1993, by Order No. 24806 issued in Case No. IPC-E-92-25, the Commission approved the implementation of an annual Power Cost Adjustment procedure.

## IV.

On May 25, 2001, by Order No. 28699, the Commission issued its final order approving the Irrigation Load Reduction Program, which authorized payments for irrigation customers that committed to reduce energy consumption between March 1, 2001, and November 30, 2001, by at least 100,000 kWh. A copy of Order No. 28699 is included with this Application as Attachment 1.

## V.

In Order No. 28699 the Commission found that the direct costs and reduced revenue impacts of the Irrigation Load Reduction Program should be treated as a purchased power expense in the Company's Power Cost Adjustment (PCA) mechanism.

VI.

In Order No. 28699 the Commission also stated on Page 12 of that order that “Idaho Power and the parties shall develop and present a proposal to the Commission recommending a procedure to calculate the amount of revenue impact that should be passed through the Company’s PCA mechanism.”

VII.

A meeting was held with interested parties on September 27, 2001, at Idaho Power’s Corporate Headquarters during which the Company’s proposed methodology for computing the reduced revenue was discussed.

VIII.

The reduced revenue methodology calculation includes three components: The energy component addresses the revenue impact associated with the reduction in billed kWh as a result of the Irrigation Load Reduction Program. The demand component addresses the revenue impact associated with the reduction in billed kW as a result of the Program. The load reduction offset component reverses the load change adjustment to power supply expenses included in the PCA methodology.

IX.

As a part of this Application, the Company is requesting that the Commission approve the methodology for the calculation of the reduced revenue as set forth in the testimony of Maggie Brilz, which testimony is attached to this Application and referred to as if set out in full herein.

X.

The Idaho jurisdictional portion of the Irrigation Load Reduction Program costs to be included in the PCA computation through September 2001 is \$58,592,015.96 including interest.

XI.

Commission Order No. 28695, a copy of which is included with this Application as Attachment 2, approved the inclusion of Astaris Load Reduction Agreement payments in the Company's PCA. The payments to Astaris through September 2001 that should be included in the PCA, with interest, are \$42,212,092.34.

XII.

Accordingly, the total amount of the Irrigation Load Reduction Program and the Astaris Load Reduction Agreement payments through September 2001 to be included in the 2002/2003 PCA is \$100,804,108.30.

XIII.

As the Company books additional costs to the PCA for the Irrigation Load Reduction Program and the Astaris Load Reduction Agreement, the Company requests authorization to provide updated costs so that the Commission can issue an order authorizing the total amount to be deferred to the 2002/2003 PCA for the year 2001. The Company, in making this request, recognizes that it may not be practical for the Commission to issue an order approving the December deferrals before the Company closes its financial records for the year 2001 in January 2002.

XIV.

The Company will file a second application requesting an order approving the amounts deferred for the Irrigation Load Reduction Program and the Astaris Load Reduction Agreement to be included in the 2002/2003 PCA year that will not be included in the Commission's order issued in this proceeding.

XV.

Simultaneous with the filing of this Application, the Company has filed its direct case consisting of the testimony and exhibits of witnesses Maggie Brilz and Darrell R. Tomlinson. The Company stands ready for immediate consideration of this Application, if it is the Commission's determination that a hearing should be held.

XVI.

Idaho Power respectfully requests that this Application be processed under RP 201, et al, allowing for consideration of issues to be processed under Modified Procedure, i.e., by written submission rather than by an evidentiary hearing.

XVII.

Communications with reference to this Application should be sent to the following:

Larry D. Ripley  
Senior Attorney  
Idaho Power Company  
P.O. Box 70  
Boise, ID 83707

Maggie Brilz  
Director of Pricing  
Idaho Power Company  
P.O. Box 70  
Boise, ID 83707

WHEREFORE, Idaho Power Company respectfully requests (1) that the Commission issue its order approving the methodology for the calculation of the reduced revenue as a result of the Irrigation Load Reduction Program, and (2) for an order



approving the costs to be included in the 2002/2003 PCA year for the Irrigation Load Reduction Program and the Astaris Load Reduction Agreement in the amount of \$100,804,108.30.

The Company further requests authority to supplement its filing in this proceeding as additional costs are incurred in the year 2001 for the Irrigation Load Reduction Program and the Astaris Load Reduction Agreement.

DATED at Boise, Idaho, this 18th day of October, 2001.

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LARRY D. RIPLEY  
Attorney for Idaho Power Company

## **ATTACHMENT 1**

Order No. 28699

Available on IPUC Internet Site

## **ATTACHMENT 2**

Order No. 28695

Available on IPUC Internet Site

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR AN )  
ORDER APPROVING THE COSTS TO BE ) CASE NO. IPC-E-01-\_\_\_\_  
INCLUDED IN THE 2002/2003 PCA )  
YEAR FOR THE IRRIGATION LOAD )  
REDUCTION PROGRAM AND ASTARIS )  
LOAD REDUCTION AGREEMENT )  
\_\_\_\_\_)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

MAGGIE BRILZ

1 Q. Please state your name and business address.

2 A. My name is Maggie Brilz. My business address  
3 is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what  
5 capacity?

6 A. I am employed by Idaho Power Company as  
7 Director of Pricing.

8 Q. Please describe your educational background.

9 A. In May of 1980, I received Bachelor of Arts  
10 Degrees in Economics and Psychology from Smith College in  
11 Northampton, Massachusetts. In 1998 I completed the  
12 University of Idaho's Public Utilities Executive Course in  
13 Moscow, Idaho. I have also attended numerous seminars and  
14 conferences on pricing issues related to the utility  
15 industry and have attended seminars and courses involving  
16 public utility regulation.

17 Q. Please describe your business experience with  
18 Idaho Power Company.

19 A. I started employment with Idaho Power  
20 Company in November of 1984 as a Financial Analyst in the  
21 Planning Department. In 1986 I accepted the position of  
22 Rate Analyst in the Rate Department. My duties as a Rate  
23 Analyst included the development of alternative pricing  
24 structures, the analysis of the impact on customers of rate  
25 design changes, the preparation of cost-of-service studies,

1 and the administration of the Company's tariffs. In July of  
2 1993 I was promoted to Rate Design Supervisor. In that  
3 capacity, I also became responsible for the overall rate  
4 design activities of the Rate Department. In October of  
5 1996 I was promoted to my current position of Director of  
6 Pricing in the Pricing & Regulatory Services Department.

7 Q. Were you involved with the creation and  
8 implementation of the Irrigation Load Reduction Program?

9 A. Yes.

10 Q. Have you previously testified before the  
11 Commission regarding the Irrigation Load Reduction Program?

12 A. Yes. I presented testimony before the  
13 Commission at the public hearing held on March 13, 2001 in  
14 Case No. IPC-E-01-03.

15 Q. What is the purpose of your testimony in this  
16 proceeding?

17 A. The purpose of my testimony in this  
18 proceeding is to describe the costs associated with the  
19 Company's Irrigation Load Reduction Program which are being  
20 treated as purchased power expenses in the Power Cost  
21 Adjustment (PCA) as per Order No. 28699 issued May 25, 2001.  
22 Exhibit No. 1 is a copy of that Order. My testimony also  
23 details the methodology which the Company believes is  
24 appropriate for computing the reduced revenue impact of the  
25 Irrigation Load Reduction Program.



1           Q.       Would you please briefly describe the  
2   Irrigation Load Reduction Program?

3           A.       Yes.   The Irrigation Load Reduction Program,  
4   or the "Buy-Back" program, is a voluntary load reduction  
5   program available to customers taking irrigation service  
6   under the Company's Schedule 24 who commit to reducing  
7   energy consumption between March 1, 2001 and November 30,  
8   2001 by at least 100,000 kWh.   The Company filed an  
9   application with the Idaho Public Utilities Commission on  
10   February 7, 2001 requesting authority to initiate the  
11   Program.   On February 20, 2001 the Commission issued Order  
12   No. 28647 allowing the Company to solicit competitive bids  
13   from customers desiring to participate in the Program.  
14   Customers wanting to participate were required to submit  
15   their bids by 5:00 p.m. on Wednesday, February 28, 2001.   On  
16   March 13, 2001 the Commission held a public hearing on the  
17   Company's application.   The Commission issued Interlocutory  
18   Order No. 28676 on March 14, 2001 approving the Company's  
19   request to accept bids and implement the Program and  
20   requiring the Company to pay 15¢ per kWh for all kWh of  
21   energy reduction provided by participants whose bids were  
22   accepted.   The Commission issued Order No. 28699 approving  
23   the Program on May 25, 2001 (Exhibit No. 1).

24          Q.       Does Order No. 28699 (Exhibit No. 1) address  
25   the treatment of the costs associated with the Irrigation

1 Load Reduction Program for PCA cost recovery purposes?

2 A. Yes. Order No. 28699 (Exhibit No. 1) states,  
3 "The Commission further finds that the direct costs and lost  
4 revenue impacts of this Program may be treated as a  
5 purchased power expense in the Company's Power Cost  
6 Adjustment ("PCA") mechanism. " (See page 12). The  
7 Commission also stated on page 12 of Order No. 28699, "Idaho  
8 Power and the parties shall develop and present a proposal  
9 to the Commission recommending a procedure to calculate the  
10 amount of revenue impact that should be passed through the  
11 Company's PCA mechanism."

12 Q. How are the direct costs associated with the  
13 Program determined?

14 A. The direct costs are the payments to  
15 customers for the energy reductions provided. The direct  
16 costs are determined by multiplying the reduced kWh (energy  
17 savings) provided by the Program participants by the 15¢ per  
18 kWh purchase price approved by the Commission.

19 Q. Has the Company met with interested parties  
20 to develop a procedure to calculate the reduced revenue  
21 impact associated with the Program?

22 A. Yes. A meeting was held with interested  
23 parties on September 27, 2001, at Idaho Power's corporate  
24 headquarters during which the Company's proposed methodology  
25 for computing the reduced revenue impact was discussed.

1           Q.       Would you please describe the methodology the  
2 Company is proposing to calculate the reduced revenue  
3 impact?

4           A.       Yes. The methodology includes the  
5 calculation of three reduced revenue components. The Energy  
6 Component addresses the revenue impact associated with the  
7 reduction in billed kWh as a result of the Irrigation Load  
8 Reduction Program. The Demand Component addresses the  
9 revenue impact associated with the reduction in billed kW as  
10 a result of the Program. The Load Reduction Offset  
11 Component reverses the load change adjustment to power  
12 supply expenses included in the PCA methodology.

13          Q.       Please explain the Energy Component.

14          A.       The reduced revenue associated with the  
15 reduction in kWh usage is based on the kWh of energy  
16 reduction for which customers receive payment. The reduced  
17 revenue is computed by multiplying the kWh of energy  
18 reduction by the energy charge applicable for the specific  
19 billing period.

20          Q.       Please explain the Demand Component.

21          A.       The reduced revenue associated with the  
22 reduction in billed kW is computed only for the in-season  
23 billing periods of June through September, since this is the  
24 period during which the demand charge is imposed. Because  
25 the billed kW is directly related to the installed

1 horsepower at each metered service point, the basis for the  
2 computation is the difference between the billed kW for the  
3 billing period this year compared to the billed kW for the  
4 same billing period last year. By utilizing the billed kW  
5 at each metered service point last year as the basis for the  
6 computation of the reduced revenue, the most accurate  
7 representation of the level of billed kW the Company would  
8 otherwise have experienced this year is captured. The  
9 reduced revenue is computed by multiplying the difference in  
10 billed kW by the demand charge.

11 Q. Please explain the Load Reduction Offset  
12 Component.

13 A. The PCA methodology includes a load change  
14 adjustment to power supply expenses to reflect additional  
15 revenues with load growth or reduced revenues associated  
16 with load decline. The rate for the load change adjustment  
17 within the PCA methodology has been set at 16.84 mills/kWh.  
18 The Load Reduction Offset Component, which utilizes the same  
19 rate of 16.84 mills/kWh, eliminates a potential double  
20 counting of reduced revenue associated with the load change  
21 that would occur in the PCA methodology in the absence of  
22 this offset adjustment.

23 Q. What is the basis for the Load Reduction  
24 Offset Component?

25 A. The basis for the Load Reduction Offset

1 Component is the same kWh of energy reduction used as the  
2 basis for determining the Energy Component.

3 Q. Is an adjustment required prior to computing  
4 the Load Reduction Offset Component?

5 A. Yes. An adjustment for losses is required.

6 Q. Please describe the adjustment for losses  
7 that is required.

8 A. The load change expense adjustment  
9 incorporated in the PCA methodology is calculated at the  
10 load, or generation, level rather than at the customer, or  
11 metered, level. Therefore, in order to reverse the load  
12 change expense adjustment, the Load Reduction Offset  
13 Component needs to be calculated at the generation level  
14 rather than at the metered level.

15 Q. What is the loss factor to be used for the  
16 irrigation class?

17 A. The loss factor to be used for energy sales  
18 to the irrigation class as provided to me by the Company's  
19 Customer and Load Research Department is 10.8%.

20 Q. How is the Load Reduction Offset Component  
21 calculated?

22 A. The Load Reduction Offset Component is  
23 calculated by multiplying the kWh of energy reduction for  
24 which customers receive payment by 1.108 to adjust for the  
25 10.8% losses and then by 16.84 mills/kWh to fully reverse

1 the load change expense adjustment incorporated in the PCA  
2 methodology.

3 Q. Is the proposed methodology for computing the  
4 reduced revenue impact you have described in your testimony  
5 the same methodology presented at the meeting held with  
6 interested parties on September 27?

7 A. Yes it is, with the exception of the  
8 inclusion of losses in the calculation of the Load Reduction  
9 Offset Component. The Company added this adjustment to its  
10 recommended methodology subsequent to the meeting held on  
11 September 27.

12 Q. Did you prepare an exhibit which demonstrates  
13 the calculation of the Energy Component, the Demand  
14 Component, and the Load Reduction Offset Component as part  
15 of your testimony?

16 A. Yes. I prepared Exhibit No. 2, which  
17 illustrates the calculation of the reduced revenue  
18 components for the month of August. Exhibit No. 2 consists  
19 of three pages. Each page addresses one of the three  
20 components of reduced revenue.

21 Q. Please explain Page 1 of Exhibit No. 2.

22 A. Page 1 details the calculation of the reduced  
23 revenue associated with the Energy Component for the  
24 Company's Idaho jurisdiction for the August posting to the  
25 PCA. As Page 1 illustrates, adjustments to prior months'

1 energy savings as well as the recording of the current  
2 month's energy savings are made during August. For example,  
3 line 1, column B on Page 1 shows a reduction of 343 kWh of  
4 energy savings for the month of April which are posted as an  
5 adjustment in August. Line 2, column B shows an increase of  
6 226,550 kWh of energy savings for the month of May which are  
7 posted as an adjustment in August. These adjustments result  
8 from changes made to the kWh billed to customers and can  
9 result from a number of causes such as incorrect meter  
10 readings and billing errors. Line 5 shows the 125,131,621  
11 kWh of energy savings provided during the August billing  
12 period. The revenue impact for each month is computed by  
13 multiplying the kWh of energy reduction by the applicable  
14 rate in effect at that time. For example, during the April  
15 billing period, the effective energy rate was 3.6891¢ per  
16 kWh. During the August billing period, the effective energy  
17 rate was 4.1831¢ per kWh. For both the May and June billing  
18 periods, customer billings are prorated between the pre-May  
19 1 and May 1 PCA energy charges since both these billing  
20 periods include usage consumed in the month of April. The  
21 new rate proration factors shown in column G identify the  
22 portion of usage for the May and June billing periods  
23 charged at the energy rates that became effective on May 1.

24 Q. Please explain Page 2 of Exhibit No. 2.

25 A. Page 2 details the calculation of the reduced

1 revenue associated with the Demand Component for the  
2 Company's Idaho jurisdiction for the August PCA posting.  
3 Lines 1 and 2 show adjustments to prior months' reduced  
4 demand which are posted as adjustments in August. Line 3  
5 shows the 236,099 kW of reduced demand during the August  
6 billing period multiplied by the \$3.58 demand charge.

7 Q. How was the 236,099 kW of reduced demand for  
8 August computed?

9 A. As described earlier, the reduced demand is  
10 calculated as the difference between the 2000 billed kW and  
11 the 2001 billed kW for the metered service points included  
12 in the Program. For August 2000, the billed kW for the  
13 metered service points included in the Program was 424,873  
14 kW. For August 2001, the comparable billed kW was 188,774  
15 kW. The difference between 424,873 kW and 188,774 kW is  
16 236,099 kW.

17 Q. Please explain Page 3 of Exhibit No. 2.

18 A. Page 3 details the summation of the reduced  
19 revenue Energy Components and Demand Components for the  
20 total Company. It also shows the calculation of the Load  
21 Reduction Offset Component. The Total Reduced Revenue shown  
22 in column E of \$6,176,390.52 and the 16.84 Load Reduction  
23 Offset Adjustment shown in column F of \$2,382,539.55  
24 represent the values to be booked to the Company's PCA using  
25 the methodology recommended by the Company.



1           Q.       Have the entries previously booked to the PCA  
2 for the Load Reduction Offset included the adjustment for  
3 losses described earlier in your testimony?

4           A.       No. The monthly entries booked to the PCA to  
5 date for the Load Reduction Offset do not include the  
6 adjustment for losses which I previously described in the  
7 calculation of the offset amount.

8           Q.       Does a "catch-up" adjustment need to be made  
9 to the PCA to record the impact of the losses on the offset  
10 amount?

11          A.       Yes, it does. Since the September postings  
12 to the PCA have already been made, a "catch-up" adjustment  
13 that will take into account the amount of losses associated  
14 with the energy savings since the beginning of the Program  
15 through September will be made in October. The calculation  
16 of the entries to record the Load Reduction Offset for  
17 October forward will include the adjustment for losses.

18          Q.       Have the Direct Payments to Customers, the  
19 Total Reduced Revenue, and the Load Reduction Offset that  
20 have been posted to the PCA through September of this year  
21 been calculated using the methodology you have described in  
22 your testimony?

23          A.       Yes. On a monthly basis I have calculated  
24 the Program costs using the methodology I have described and  
25 have provided these costs to Mr. Tomlinson for posting to

1 the PCA.

2 Q. What methodology will you use to calculate  
3 the remaining costs through the end of the Program?

4 A. I will use the methodology I have described  
5 in my testimony, with the inclusion of the adjustment for  
6 losses in the Reduced Revenue Offset Component, to calculate  
7 the remaining monthly costs associated with the Program.

8 Q. Does the calculation of the reduced revenue  
9 impact include the impact associated with the Program  
10 participants in the Company's Oregon service territory?

11 A. Yes, it does. The revenue impact associated  
12 with the participants in the Company's Oregon service  
13 territory is calculated using the same methodology as that  
14 used to compute the revenue impact associated with the  
15 Company's Idaho customers participating in the Program.

16 Q. Why is it appropriate to include the reduced  
17 revenue impact associated with the Company's Oregon  
18 participants in the Total Reduced Revenue and Load Reduction  
19 Offset calculations?

20 A. The Irrigation Load Reduction Program was  
21 designed to reduce the amount of energy the Company would  
22 otherwise be required to buy on the wholesale market in  
23 order to meet system demand. As such both the Idaho and  
24 Oregon Programs are viewed as "system" resources. Like any  
25 other system resource, i.e., purchased power, the costs

1 associated with the Program are properly identified at the  
2 system level and jurisdictionalized in the PCA.

3 Q. How will the costs associated with the Oregon  
4 customer participation impact Idaho customers?

5 A. The jurisdictional allocation built into the  
6 PCA mechanism will allocate 15% of the total system program  
7 costs to non-Idaho jurisdictions. Because of this  
8 allocation, costs associated with both the Oregon and Idaho  
9 Programs will be properly allocated to jurisdictions via the  
10 PCA methodology.

11 Q. Does this conclude your testimony?

12 A. Yes, it does.

# **IDAHO POWER COMPANY**

**EXHIBIT NO. 1**

**MAGGIE BRILZ**

Order No. 28699

Available on IPUC Internet Site

# **IDAHO POWER COMPANY**

**EXHIBIT NO. 2**

**MAGGIE BRILZ**

IDAHO POWER COMPANY  
Irrigation Load Reduction Program  
Calculation of Reduced Revenue

Energy Component

**Idaho Jurisdiction  
August PCA Posting**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
			Pre-May 1	May 1	Pre-May 1	May 1	New Rate	
Line			Out-of-Season	Out-of-Season	In-Season	In-Season	Proration	Reduced
No.		<u>kWh Savings</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Factor</u>	<u>Revenue</u>
1	April-Adj.	(343)	0.036891					(12.65)
2	May-Adj.	226,550	0.036891	0.049587			0.2407	9,049.98
3	June-Adj.	(125,430)			0.029135	0.041831	0.9520	(5,170.42)
4	July-Adj.	(546,677)				0.041831		(22,868.05)
5	August	125,131,621				0.041831		5,234,380.84
6	TOTAL	124,685,721						5,215,379.69

IDAHO POWER COMPANY  
Irrigation Load Reduction Program  
Calculation of Reduced Revenue

Demand Component

**Idaho Jurisdiction  
August PCA Posting**

	(A)	(B)	(C)	(D)
Line No.		<u>kW</u>	<u>\$/kW</u>	<u>Revenue</u>
1	June - Adj.	35	3.58	125.30
2	July - Adj.	79	3.58	282.82
3	August	236,099	3.58	845,234.42
4	TOTAL			845,642.54



IDAHO POWER COMPANY  
Irrigation Load Reduction Program  
Summary of Reduced Revenue  
Including Load Reduction Offset Component

**August PCA Posting**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Line No.		<u>Idaho</u>	<u>Oregon</u>	<u>Prairie</u>	Total Reduced Revenue	16.84 Offset Adjustment	Total Saved kWh	Total Saved kWh Adjusted for Losses
1	April-Adj.	(12.65)			(12.65)	(6.40)	(343)	(380)
2	May-Adj.	22,360.53			22,360.53	4,227.13	226,550	251,017
3	June-Adj.	2,207,884.89		391.76	2,208,276.65	(2,340.36)	(125,430)	(138,976)
4	July-Adj.	(4,887.60)	1,315.02		(3,572.58)	(10,200.29)	(546,677)	(605,718)
5	August	442.20	83,621.01	6,131.25	90,194.46	2,390,859.47	128,136,307	141,975,028
6	TOTAL	\$ 2,225,787.36	\$ 84,936.03	\$ 6,523.01	\$ 6,176,390.52	\$ 2,382,539.55	127,690,407	141,480,971

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR AN )  
ORDER APPROVING THE COSTS TO BE ) CASE NO. IPC-E-01-\_\_\_\_  
INCLUDED IN THE 2002/2003 PCA )  
YEAR FOR THE IRRIGATION LOAD )  
REDUCTION PROGRAM AND ASTARIS )  
LOAD REDUCTION AGREEMENT )  
\_\_\_\_\_)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

DARRELL R. TOMLINSON

1           Q.       Please state your name, business address and  
2 present occupation.

3           A.       My name is Darrell R. Tomlinson and my  
4 business address is 1221 West Idaho Street, Boise, Idaho. I  
5 am employed as a Team Leader in the Financial Accounting  
6 Department at Idaho Power Company.

7           Q.       What is your educational background?

8           A.       I graduated in 1971 from Boise State  
9 University, Boise, Idaho, receiving a Bachelor of Business  
10 Administration degree. Since becoming employed at Idaho  
11 Power Company I have attended several courses involving  
12 financial reporting and ratemaking.

13          Q.       Please outline your experience with Idaho  
14 Power Company?

15          A.       In 1976, I was employed by the Company and  
16 assigned to the Property Accounting Department as a Senior  
17 Accountant. In 1977, I transferred to the Corporate  
18 Accounting and Budget Department. In 1979, I transferred to  
19 the Rate Department as a Planning Analyst. In 1981, I  
20 transferred to the Financial Services Department as a  
21 Financial Analyst. In 1992, I transferred to the Corporate  
22 Accounting and Reporting Department as a Business Analyst.  
23 In April 2001, I was promoted to Team Leader in the  
24 Financial Accounting Department.

25          Q.       What are your duties as a Team Leader in the

1 Financial Accounting Department?

2 A. I am involved with the financial reporting  
3 requirements of the department including the responsibility  
4 for PCA accounting. I am also the coordinator for the  
5 Finance Department where I act as a liaison with the Pricing  
6 and Regulatory Services department.

7 Q. What is the purpose of your testimony?

8 A. The purpose of my testimony is to describe  
9 the accounting entries utilized to book the costs associated  
10 with the Irrigation Load Reduction Program and the Astaris  
11 Load Reduction Agreement that are included in the PCA.

12 Q. Can you describe the components utilized to  
13 include the costs of the Irrigation Load Reduction Program  
14 in the PCA?

15 A. Yes, the three components associated with the  
16 Irrigation Load Reduction Program include the Direct  
17 Payments to Customers and Total Reduced Revenue which  
18 includes a Load Reduction Offset Component as described by  
19 Ms. Brilz.

20 Q. What account is used to book the costs  
21 associated with the Irrigation Load Reduction Program?

22 A. The Direct Payments to Customers for their  
23 load reductions and the Total Reduced Revenue including the  
24 Load Reduction Offset Component are all booked to Account  
25 182.379. Detailed demonstration of these amounts is

1 reflected in Exhibit No. 3.

2 Q. Did you prepare Exhibit No. 3?

3 A. Yes.

4 Q. Please describe Exhibit No. 3.

5 A. Exhibit No. 3 is the workpaper which supports  
6 the Irrigation Load Reduction Program costs and Astaris Load  
7 Reduction Agreement costs included the PCA True-Up Report.

8 Q. Please explain the detail associated with the  
9 Irrigation Load Reduction Program in Exhibit No. 3.

10 A. Exhibit No. 3, lines 3-7, columns C-I reflect  
11 costs by month associated with the Irrigation Load Reduction  
12 Program that are provided to me by Ms. Brilz and included in  
13 the monthly PCA True-Up Report. Line 5, column P is the  
14 Total Reduced Revenue of \$19,835,635.54 through September.  
15 Line 6, column P details the posting of the Load Reduction  
16 Offset Adjustment of -\$7,046,583.28 through September. As  
17 detailed by Ms. Brilz, the postings to date for the Load  
18 Reduction Offset do not include the adjustment for losses.  
19 The -\$7,046,583.28 shown on line 6, column P is the value of  
20 the Load Reduction Offset adjustment computed using the  
21 actual energy reductions recorded through September. These  
22 two lines plus Line 4, which details the posting of the load  
23 reduction payments to program participants of  
24 \$63,162,233.22, equal the total program costs for the  
25 Irrigation Load Reduction Program through September of

1 \$75,951,285.48 as shown on Line 7, column P. The total  
2 Irrigation Load Reduction Program cost of \$75,951,285.48 is  
3 then multiplied by 90% to represent the 90/10 sharing  
4 between customers and the company. The resulting value is  
5 then multiplied by 85% to determine the Idaho jurisdictional  
6 portion of the programs cost as reflected on line 10 of  
7 \$58,102,733.39.

8 Q. Please describe Exhibit No. 4.

9 A. Exhibit No. 4 is a copy of the Commission's  
10 Order No. 28695 approving the inclusion of Astaris Load  
11 Reduction Agreement payments in the PCA.

12 Q. What account is used to book the payments  
13 associated with the Astaris Load Reduction Agreement?

14 A. The direct payments per the Astaris Load  
15 Reduction Agreement are booked to Account 182.377.

16 Q. Please explain the detail associated with the  
17 Astaris Load Reduction Agreement payments in Exhibit No. 3.

18 A. The payments of \$54,575,050.78 to Astaris  
19 through September, 2001, for the load reduction are  
20 reflected on line 25, column P of Exhibit No. 3. The total  
21 payments through September are then multiplied by 90% to  
22 represent the 90/10 sharing of power supply costs between  
23 customers and the Company. The resulting value is then  
24 multiplied by 85% to determine the Idaho jurisdictional  
25 portion of the expense as reflected on line 28, column P in

1 the amount of \$41,749,913.85.

2 Q. Can you explain the interest calculated on  
3 lines 20 and 38, columns C-I of Exhibit No. 3?

4 A. Yes, the interest is calculated by applying  
5 the Idaho allowed rate of 6% interest to the program costs  
6 beginning balance.

7 Q. What is the total amount of costs associated  
8 with the Irrigation Load Reduction Program and the Astaris  
9 Load Reduction Agreement to be included in the PCA through  
10 September 2001?

11 A. Through the month of September, the  
12 Irrigation Load Reduction Program cost is \$58,592,015.96,  
13 the Astaris Load Reduction Agreement cost is \$42,212,092.34,  
14 for a total of \$100,804,108.30, as reflected on lines 22 and  
15 40, column P of Exhibit No. 3. It should be noted that  
16 these amounts include interest.

17 Q. Will the Company provide additional monthly  
18 data as it becomes available?

19 A. Yes, the data through September was available  
20 at the time this testimony was prepared and as additional  
21 monthly data is booked in the year 2001 it will be provided.

22 Q. Will the Company file a second application to  
23 recover the balance of costs associated with the Irrigation  
24 Load Reduction Program and the Astaris Load Reduction  
25 Agreement attributable to the 2002/2003 PCA year?

1           A.       Yes.

2           Q.       Does this conclude your testimony?

3           A.       Yes, it does.



**IDAHO POWER COMPANY**

**EXHIBIT NO. 3**

**DARRELL R. TOMLINSON**

	A	B	C	D	E	F	G	H	I	O	P
1	PCA Programs Cost		March	April	May	June	July	August	September		Totals
2	March 2001 thru March 2002										
3	<b>Actual Irrigation - Acct 182379</b>										
4	Voluntary load reduction payments	\$	0.00	0.00	6,843,557.85	8,398,211.72	16,218,244.31	19,133,569.98	12,568,649.36		63,162,233.22
5	Revenue reduction	\$	0.00	0.00	1,805,493.44	2,930,802.91	5,398,476.35	6,176,390.52	3,524,472.32		19,835,635.54
6	Revenue Reduction Load Offset	\$	0.00	0.00	0.00	0.00	(3,529,666.57)	(2,150,306.45)	(1,366,610.26)		(7,046,583.28)
7	Total Irrigation	\$	0.00	0.00	8,649,051.29	11,329,014.63	18,087,054.09	23,159,654.05	14,726,511.42		75,951,285.48
8	Sharing Percentage		90%	90%	90%	90%	90%	90%	90%		90%
9	Idaho Allocation		85%	85%	85%	85%	85%	85%	85%		85%
10	Total Irrigation	\$	0.00	0.00	6,616,524.24	8,666,696.19	13,836,596.38	17,717,135.35	11,265,781.24		58,102,733.39
11											
12	Principal Balances										
13	Beginning Balance ***	\$	0.00	0.00	0.00	6,616,524.24	15,283,220.43	29,119,816.81	46,836,952.16		
14	Amount Deferred	\$	0.00	0.00	6,616,524.24	8,666,696.19	13,836,596.38	17,717,135.35	11,265,781.24		58,102,733.39
15	Ending Balance	\$	0.00	0.00	6,616,524.24	15,283,220.43	29,119,816.81	46,836,952.16	58,102,733.39		
16											
17	Interest Balances										
18	Accrual thru Prior Month	\$	0.00	0.00	0.00	0.00	33,082.62	109,498.72	255,097.81		
19	Monthly Interest Rate **		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%		
20	Monthly Interest Inc/(Exp)	\$	0.00	0.00	0.00	33,082.62	76,416.10	145,599.08	234,184.76		489,282.57
21	Interest Accrued to date	\$	0.00	0.00	0.00	33,082.62	109,498.72	255,097.81	489,282.57		
22	<b>Balance in Account 182.379</b>	\$	0.00	0.00	6,616,524.24	15,316,303.05	29,229,315.53	47,092,049.96	58,592,015.96		58,592,015.96
23											
24	<b>Actual Astaris - Acct 182377</b>										
25	Load reduction payments	\$	0.00	7,537,706.09	7,230,985.80	7,581,563.60	9,659,244.04	12,155,326.00	10,410,225.25		54,575,050.78
26	Sharing Percentage		90%	90%	90%	90%	90%	90%	90%		90%
27	Idaho Allocation		85%	85%	85%	85%	85%	85%	85%		85%
28	Total Astaris	\$	0.00	5,766,345.16	5,531,704.14	5,799,896.15	7,389,321.69	9,298,824.39	7,963,822.32		41,749,913.85
29											
30	Principal Balances										
31	Beginning Balance ***	\$	0.00	0.00	5,766,345.16	11,298,049.30	17,097,945.45	24,487,267.14	33,786,091.53		
32	Amount Deferred	\$	0.00	5,766,345.16	5,531,704.14	5,799,896.15	7,389,321.69	9,298,824.39	7,963,822.32		41,749,913.85
33	Ending Balance	\$	0.00	5,766,345.16	11,298,049.30	17,097,945.45	24,487,267.14	33,786,091.53	41,749,913.85		
34											
35	Interest Balances										
36	Accrual thru Prior Month	\$	0.00	0.00	0.00	28,831.73	85,321.97	170,811.70	293,248.04		
37	Monthly Interest Rate **		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%		
38	Monthly Interest Inc/(Exp)	\$	0.00	0.00	28,831.73	56,490.25	85,489.73	122,436.34	168,930.46		462,178.49
39	Interest Accrued to date	\$	0.00	0.00	28,831.73	85,321.97	170,811.70	293,248.04	462,178.49		
40	<b>Balance in Account 182.377</b>	\$	0.00	5,766,345.16	11,326,881.02	17,183,267.42	24,658,078.84	34,079,339.57	42,212,092.34		42,212,092.34

**IDAHO POWER COMPANY**

**EXHIBIT NO. 4**

**DARRELL R. TOMLINSON**

Order No. 28695

Available on IPUC Internet Site